

INFORMATIONAL HEARING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	
)	
Application for Certification)	Docket No.
for the El Segundo Power)	00-AFC-14
Redevelopment Project)	
_____)	

CITY COUNCIL CHAMBERS
EL SEGUNDO CITY HALL
350 MAIN STREET
EL SEGUNDO, CALIFORNIA

THURSDAY, MARCH 1, 2001

5:00 p.m.

Reported by:
Valorie Phillips
Contract No. 170-99-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Robert Pernell, Commissioner, Presiding Member

Garret Shean, Hearing Officer

Ellen Townsend-Smith, Adviser

STAFF PRESENT

David Abelson, Senior Staff Counsel

James W. Reede, Jr., Project Manager

PUBLIC ADVISER

Marija Krapceovich

APPLICANT

John McKinsey, Attorney,
Livingston and Mattesich
for El Segundo Power II, LLC, a joint venture of
NRG Energy, Inc. and Dynegy Power Corporation

Ron Cabe, Senior Director, Project Development
Dynegy Marketing and Trade

Scott Magie
NRG Energy, Incorporated

INTERVENORS

Kathryn Poole, Attorney
California Unions for Reliable Energy (CURE)

William Reid
Utility Workers Union of America Local 246

ALSO PRESENT

Sandra Jacobs, Mayor Pro Tem
Mary Strenn, City Manager
James, Hansen, Director of Community, Economic
and Development Services
City of El Segundo

ALSO PRESENT

Kelly McDowell, City Council Member
John Gaines, City Council Member
City of El Segundo

Bill Crigger, President
El Segundo Chamber of Commerce

Bob Perkins

Michelle Murphy

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

I N D E X

	Page
Proceedings	1
Opening Remarks	1
Presiding Member Pernell	1
Hearing Officer Shean	2
Introductions	2
Overview	5
Presentations	9
Applicant	9
CEC Staff	10
Public Adviser	35
Comments	
John Gaines, City Council Member City of El Segundo	33
Intervenors	42
William Reid, Utility Workers Union of America Local 246	42
El Segundo Chamber of Commerce Bill Crigger, President	45
Public	46
Bob Perkins	46
Michelle Murphy	59
Adjournment	62
Reporter's Certificate	63

1 P R O C E E D I N G S

2 5:00 p.m.

3 PRESIDING MEMBER PERNELL: Ladies and
4 gentlemen, good evening. My name is Commissioner
5 Robert Pernell; I'm a Commissioner on the
6 California Energy Commission.

7 First of all I'd like to thank the City
8 of El Segundo and also its representatives. I've
9 had the opportunity to meet one of the Council
10 Members, Mr. McDowell, and also Mr. Hansen, who is
11 the Director of Community, Economic and
12 Development Services.

13 Is there anyone else here, the Mayor, or
14 any other Council Members from the City of El
15 Segundo? Seeing none, I'll continue.

16 This is an information hearing conducted
17 by a Committee of the California Energy Commission
18 on the proposed El Segundo Power Redevelopment
19 Project. The Energy Commission has assigned a
20 Committee of two Commissioners to conduct these
21 proceedings.

22 Again, my name is Robert Pernell; I am
23 the Presiding Member. The other Member of the
24 Committee is Commissioner Keese.

25 What I'd like to do is introduce the

1 dais. To my right is my Adviser, Ellie Townsend-
2 Smith; and to my left is the Hearing Officer for
3 these proceedings, Mr. Shean. Mr. Shean will be
4 conducting the hearing, and he will start off by
5 having the parties introduce themselves and their
6 representatives, starting with the applicant,
7 staff, intervenors, any agencies, members of the
8 public and the Public Adviser.

9 So, with that I'll turn the meeting over
10 to Mr. Shean.

11 HEARING OFFICER SHEAN: Thank you,
12 Commissioner. As the Commissioner indicated what
13 we'll do initially is do some introductions, and
14 we'll begin with the applicant, Mr. McKinsey.

15 MR. MCKINSEY: Thank you, Commissioner
16 Pernell, thank you, Mr. Shean. My name is John
17 McKinsey; I'm counsel for the applicant. And
18 that's the parties that are proposing this
19 project.

20 With me is Ron Cabe; he's a
21 representative of Dynegy, Incorporated. And also
22 in the audience is Scott Magie. Raise your hand,
23 Scott. He's a representative of NRG Energy,
24 Incorporated. And together they own the existing
25 El Segundo Generating Station, and are proposing

1 this project to repower units 1 and 2.

2 HEARING OFFICER SHEAN: Thank you. Mr.
3 Reede.

4 MR. REEDE: Good evening, Commissioner
5 Pernell, Hearing Officer Shean, members of the
6 public. My name is James Reede, and I am the
7 Energy Facility Siting Project Manager, a
8 mouthful, that will be assessing the application
9 for certification for the El Segundo Power
10 Redevelopment Project.

11 With me tonight are a number of Energy
12 Commission Staff and consultants, including Dave
13 Abelson, Senior Staff Attorney -- if I could ask
14 each of the Commission Staff to stand -- Mr. Joe
15 Loyer, our Air Quality Engineer.

16 I have Ms. Jeanette McKinna, who will be
17 doing cultural resources. I have Mr. Michael
18 Berman, who will be doing land use issues. I have
19 Mr. Jim Fore, who will be doing traffic and
20 transportation.

21 I have our engineering geologist, Mr.
22 Bob Anderson over in the door. I have Mr. Lance
23 Pagel, who will also be working on traffic and
24 transportation issues.

25 I have Mr. Tom Murphy over in the corner

1 in the back in the dark next to the mushrooms, who
2 will be doing noise. And Noel Davis, who will be
3 working on biology. And Michael Fajans, who will
4 be doing socioeconomics.

5 Are there any other Commission Staff or
6 consultants here? Thank you, Commissioner
7 Pernell.

8 PRESIDING MEMBER PERNELL: Thank you,
9 Mr. Reede.

10 HEARING OFFICER SHEAN: We have one
11 intervenor in the proceeding at this time. It is
12 the California Unions for Reliable Energy. And
13 maybe we can just get an introduction, Ms. Poole.

14 MS. POOLE: Thank you. Kate Poole,
15 representing California Unions for Reliable
16 Energy, -- intervenor, I didn't know that had been
17 granted.

18 HEARING OFFICER SHEAN: Well, what you
19 should know is we're doing everything at dot.com
20 speed, so that's usually where you're going to
21 find that, as opposed to snail-mail speed. And
22 we'll get into that a little bit later with the
23 rest of the people who are interested in getting
24 information about our proceeding.

25 PRESIDING MEMBER PERNELL: Thank you,

1 Ms. Poole.

2 HEARING OFFICER SHEAN: All right. Do
3 we have any members of any local agencies, SCAQMD
4 or the Coastal Commission? Are they present?
5 Okay.

6 MR. REEDE: Or Caltrans.

7 HEARING OFFICER SHEAN: All right. I
8 guess for the record we should re-introduce our
9 Associate Public Adviser, Marija Krapceovich, who
10 is coming back through the door. And she'll have
11 some brief remarks after the staff.

12 Let me just give you a brief outline of
13 what's in front of you in terms of the process by
14 which we're going to evaluate the El Segundo
15 project.

16 The applicant has filed a relatively
17 thick document. It comes in a binder that's about
18 four inches thick. It describes, from their
19 consultant's point of view, and their best
20 professional opinion, the potential impacts of the
21 project, as well as the mitigation that would be
22 necessary to reduce or eliminate those potential
23 impacts.

24 What's unusual about the application
25 that has been filed by this applicant is that

1 based upon its experience from prior cases, it has
2 chosen to take a rather extraordinary step of
3 proposing conditions that it would agree to in
4 advance. This will significantly aid the staff
5 and Committee's deliberation of this matter,
6 because we will be, to some extent, reacting to
7 what they have proposed to determine whether it's
8 adequate, rather than having to go back and start
9 from ground zero with the conditions that we think
10 would be necessary.

11 Now, the applicant got the conditions
12 that it has proposed from prior cases in which the
13 Energy Commission Staff has aggregated all of them
14 from literally air quality, alphabetically down to
15 visual resources, so that this represents a host
16 of standardized conditions that generally have
17 been used in prior cases.

18 This is a very cooperative step on their
19 part, and I think we will find that it is a
20 significant reason for expediting the case simply
21 because it allows us to do that.

22 The staff, as they will describe, will
23 prepare its own independent analysis of the
24 potential impacts and make recommendations for
25 mitigation. Because the applicant has provided

1 some of this information that job will be a little
2 bit easier and can be done a little bit more
3 quickly.

4 Ultimately both parties and the public,
5 including the City of El Segundo, the South Coast
6 Air Quality Management District, the Coastal
7 Commission, perhaps Caltrans, and any other agency
8 that deems it important to be here, will come back
9 before the Committee several months out and give
10 us your best shot at what the impacts of the
11 project are, what mitigation and conditions are
12 necessary, and whether the project should be
13 certified.

14 With that, this Committee, Commissioner
15 Pernell and Chairman Keese, will present to the
16 public a proposed decision which ultimately will
17 go to the full five-member Commission for
18 consideration and possible adoption.

19 Now, ordinarily this process operates on
20 a nominal 12-month schedule. But because of
21 several factors, number one, I think you'd have to
22 say the current California energy emergency being
23 a significant one, because of the applicant's
24 forthcomingness with regard to both the analysis
25 and the agreed-upon conditions of certification in

1 their application, and the staff's experience in
2 dealing in expedited proceedings, it's very likely
3 that we will move much faster than the nominal 12-
4 month schedule.

5 While we don't have any specific
6 timeframe in mind, I think it's fair to say that
7 circumstances behoove us to move as fast as is
8 reasonably possible in a manner that both protects
9 public health and safety, the environment, and
10 assures a meaningful opportunity for the public to
11 participate in the proceeding.

12 And so that is what we're going to do.
13 And, with that, let me say, before we move to the
14 applicant for its presentation, this meeting --
15 and I'm saying this officially since I said it
16 unofficially earlier -- this meeting is
17 essentially for you; both to find out more about
18 the project, and to get your questions, comments
19 and concerns. So please don't hesitate to either
20 fill out a blue card or come to the mike when it's
21 your opportunity to do so. We look forward to
22 hearing from you. Thank you very much.

23 And let me say, thank you for the
24 hospitality of your City. I think what we've
25 decided is we're going to hold future events on

1 Thursday nights, and we're going to put a tent up
2 out on the street, rather than have to be in here
3 in the building where we can't smell all the
4 goodies and see all the chocolate and this, that
5 and the other.

6 So, with that, --

7 PRESIDING MEMBER PERNELL: See?

8 (Laughter.)

9 HEARING OFFICER SHEAN: We're prepared.

10 With that we'll go to the applicant. Mr.
11 McKinsey.

12 MR. MCKINSEY: Thank you, Mr Shean. We
13 didn't plan on presenting any material that would
14 describe the project tonight. As Mr. Shean said,
15 this meeting is essentially here for you to learn
16 about this process, to learn how to participate in
17 this process, and to have a chance to meet us and
18 to meet the Energy Commission. And to ask the
19 questions that you have.

20 I am going to let Mr. Cabe speak briefly
21 on behalf of the company, but essentially I look
22 forward to an opportunity to meet any of you that
23 have questions and I look forward to working with
24 all of you that have any interests or
25 considerations in this project.

1 MR. CABE: Thank you, John, thank you
2 very much. I would only like to say that we
3 appreciate the participation of our neighbors. We
4 look forward to working with you as the process
5 continues, and answering the questions that come
6 from you and from the Commission. And that our
7 doors are always open. If there is any additional
8 information we can provide for you, please let us
9 know.

10 We're, I think, prominently indicated in
11 the process documents that were passed out, which
12 is the reason why you knew about the process this
13 afternoon.

14 But, again, thanks for coming. We
15 appreciate your participation. We look forward to
16 working with you. Thank you.

17 HEARING OFFICER SHEAN: Thank you. All
18 right, Mr. Reede.

19 MR. REEDE: Could I ask somebody to
20 please hit that yellow button for the lights.
21 Thank you.

22 Ladies and gentlemen, I'm going to give
23 you a very brief slide presentation to explain the
24 process. This is virtually the same presentation
25 that I made to your City Council approximately ten

1 days ago.

2 We are the California Energy Commission
3 and we are in a proceeding to determine the
4 acceptance or rejection of the application for
5 certification for the El Segundo Power
6 Redevelopment Project.

7 The purpose of this siting process is to
8 insure that a reliable supply of electrical energy
9 is maintained at a level consistent with the need
10 for such energy for protection of public health
11 and safety, with emphasis, for the promotion of
12 the general welfare and for environmental quality
13 protection.

14 Now in this proceeding there are certain
15 relationships. At the top in the green you see
16 that there's a five-member Commission that will
17 eventually decide whether this project should be
18 approved or rejected.

19 Immediately underneath there's a two-
20 member Project Siting Committee. The Presiding
21 Member of this Committee is Mr. Robert Pernell;
22 and the Associate Member is Commissioner William
23 Keese. Immediately below there in green you see
24 the Hearing Officer, who is Garret Shean.

25 And then you come to the next level.

1 Now, the individuals at this level are all
2 considered equal. To the far right you see the
3 public. You see the intervenors.

4 In the center in the gray block you see
5 the Energy Commission Staff. We are an
6 independent party. We will perform an analysis
7 based upon the information provided by the
8 applicant and make a determination. That
9 determination will boil down to a recommendation
10 to be made to the two-member Project Siting
11 Committee.

12 To the immediate left in the next box
13 you have local, state and federal agencies. And
14 finally, on the far side, you have NRG and Dynegy.

15 Now, if you go back over to the right-
16 hand side you see a green box that's down below.
17 That's the Public Adviser's office. Now the
18 Public Adviser is an individual appointed by the
19 Governor to assist the public in participation in
20 these processes.

21 Now in the Energy Commission siting
22 process we have sole permitting authority in the
23 State of California for all thermal power plants
24 50 megawatts or greater. When I say thermal power
25 plants I'm talking about power plants that require

1 heat in their generation process, and all the
2 related facilities including the transmission
3 lines; the water supply system, such as ocean
4 intake and outfall; natural gas pipelines; waste
5 disposal facilities, such as the pipeline that
6 will be going to the waste treatment plant; access
7 roads, if applicable.

8 And we also coordinate with the various
9 federal, such as the National Marine Fisheries,
10 the U.S. Fish and Wildlife Service. We coordinate
11 with other state and local agencies.

12 Now, we're the lead state agency for the
13 California Environmental Quality Act purposes.

14 Now, some of that coordination that I
15 will be responsible for will be with the City of
16 El Segundo; with L.A. County Departments of
17 Sanitation, Fire, Public Works; with the South
18 Coast Air Quality Management District.

19 Some of the state agencies include the
20 Department of Fish and Game; Caltrans; Air
21 Resources Board; the Coastal Commission; and
22 Regional Water Quality Control Boards.

23 Again, some of the federal includes the
24 Environmental Protection Agency; the National
25 Marine Fisheries; and U.S. Fish and Wildlife.

1 Now we have what's called a CEQA
2 equivalent process. Actually it's more stringent
3 than the California Environmental Quality Act. We
4 perform a full review of all potential
5 environmental impacts. And our analysis is
6 subject to the principles of the California
7 Environmental Quality Act.

8 We will review compliance with all
9 applicable regulations, whether they be laws of
10 the City of El Segundo or the City of Manhattan
11 Beach; whether it's County of Los Angeles; or
12 whether it's various state regulations.

13 We will perform a full engineering
14 analysis. We will hold public workshops and
15 hearings locally.

16 As documentation of this process we will
17 initially issue a preliminary staff assessment.
18 We will take public comment for approximately 45
19 days. We will then include those comments in our
20 final staff assessment.

21 After that final staff assessment, the
22 Presiding Member's Proposed Decision will be
23 issued approximately 45 to 60 days afterwards.
24 This will be the document that is presented first
25 for public comment, and then voted upon by the

1 Commission, as you'll see in that last time, the
2 Commission decision.

3 Now, the siting process has a timeline.
4 Typically that timeline is one year from the point
5 where it is determined that the applicant has
6 provided the minimum amount of data to begin
7 review; we call that data adequacy. And for the
8 purposes of this particular application for
9 certification, that occurred on February 7th.

10 We are currently in the discovery
11 process and tomorrow I will be issuing the first
12 round of data requests of approximately 100
13 different questions to the applicant for them to
14 answer. They then have 30 days to respond to
15 those questions and provide us the information.

16 We then perform an analysis after we've
17 gotten all the responses to those data requests
18 and held the workshops, and will issue our
19 preliminary staff assessment. We'll then hold
20 prehearing conferences and issue our final staff
21 assessment.

22 The Committee will then hold hearings
23 based upon our final staff assessment at which
24 time intervenors can submit testimony and
25 evidence. From that time until approximately 300

1 days, the draft proposed decision will be issued.

2 At that time there will be a 30-day
3 comment period and they're hold a hearing during
4 that time. Approximately 345 days into the
5 process there will be a full Commission meeting
6 where they will determine whether to accept the
7 recommendation of the Presiding Member or to vote
8 differently.

9 After that time I turn it over to a
10 compliance project manager if the project is
11 approved, and they begin monitoring operations.

12 Now, as I said, data adequacy, they
13 originally submitted their application for
14 certification December 21st. There were some very
15 minor inadequacies, and so they filed what's
16 called a supplement to address those particular
17 issues. It was then found to be adequate based on
18 our information requirements. And at the business
19 meeting on February 7th, as I said, it was
20 approved to start the analysis phase.

21 Okay, in the discovery phase this
22 information hearing and site visit where the
23 second underlying section starts, this is your
24 first formal opportunity to address the Committee
25 with your concerns or potential issues.

1 We encourage public comment. You know
2 your community better than we will ever know your
3 community, so we need your input. And as I was
4 going through the site visit I was asking many of
5 the residents, tell us about this, that or the
6 other. Or please go speak to one of my staff
7 members that can gather information from you.

8 Our staff workshops are basically to
9 gather information. We'll be convening informal
10 workshops to ask the applicant or developer
11 questions about the application for certification.
12 And the public is again welcome to come and ask
13 questions and identify issues and state your
14 concerns.

15 Now, these workshops will focus on a few
16 technical areas at a time, so you don't
17 necessarily have to come to every one. But you're
18 encouraged to participate, because as residents of
19 the State of California, we're here to protect
20 your health and safety. So we need your
21 information.

22 Now, in our analysis, as I said, staff
23 typically produces two documents, the preliminary
24 staff assessment, which will be our first document
25 containing our complete analysis of the project.

1 We'll convene workshops to get your comments. And
2 we'll also take your comments to address any
3 particular concerns in that preliminary staff
4 assessment.

5 Once we've addressed your concerns we
6 will issue our final staff assessment, which
7 becomes our testimony at the evidentiary hearings.

8 Now, when the formal hearings start,
9 staff or myself will no longer be conducting the
10 hearings. They will be conducted by either the
11 Presiding Member or the Associate Member or the
12 Hearing Officer.

13 The intervenors, developer and staff are
14 required to submit testimony to support their
15 various positions. If we make a recommendation
16 for approval based on conditions, we're going to
17 outline those conditions.

18 Witnesses, including staff members, may
19 be cross-examined during the evidentiary hearing.
20 Public comment will be welcome again, but only at
21 the end of the hearings, and only intervenors are
22 allowed to cross-examine the witnesses.

23 Now, relating to the decision. The
24 Presiding Member's Proposed Decision will be
25 issued after the hearings are closed. This is

1 going to be the proposed decision of the
2 Committee, the Committee of Commissioner Pernell
3 and Commissioner Keese.

4 There will be a 30-day public comment
5 period, and a hearing may or may not be held by
6 the Committee during this time. Typically one is
7 always held. And typically they're held in the
8 community that's involved.

9 At the Commission business meeting the
10 Commissioners will debate and then decide the fate
11 of the application. Public comment is also
12 accepted at that time, but for all intents and
13 purposes, the record is closed. And no further
14 evidence is allowed.

15 The siting process to continue is an
16 open public process, which is encouraged and
17 demanded by the California Environmental Quality
18 Act. We will hold workshops and hearings and we
19 will be sending out notices 10 to 15 days in
20 advance.

21 I'd like to let you know that we're
22 currently planning to hold a data request workshop
23 on March 14th. The location is yet to be
24 determined.

25 There are sign-in sheets. If you wish

1 to be on the mailing list, we will add you to
2 them.

3 Now, where you can obtain documents: At
4 the public library in El Segundo, Los Angeles and
5 at UCLA. Now, I understand from Mr. Gary, he
6 approached me today, that an AFC is not at the El
7 Segundo Library. There will be one here on
8 Tuesday.

9 You also can find it at the Energy
10 Commission Library in Sacramento. It's on the
11 Energy Commission website if you don't feel like
12 going through three, six-inch thick volumes. And
13 also at the dockets unit at the Energy Commission.
14 Their address is shown.

15 Now, your contacts. I've laid out a
16 number of my business cards on both tables for
17 those of you who wanted to take one. My phone
18 number is shown, as is my email address at the
19 Commission. I do answer all my voicemails and I
20 answer my emails.

21 The Commission's Hearing Office and the
22 Officer, Hearing Officer is Gary Shean, and his
23 phone number is shown.

24 Roberta Mendonca is the Public Adviser,
25 and both her local phone number and an 800 number

1 are shown to assist the public in making sure
2 there's easy access to the Public Adviser.

3 Somebody turn the lights back on,
4 please.

5 Now, because this is an informational
6 hearing and site visit, staff is required to issue
7 what's called an issues identification report.
8 And this report has been prepared by Commission
9 Staff to inform the Committee and all interested
10 parties of the potential issues that have been
11 identified in the case this far.

12 Now, these issues have been identified
13 as a result of our discussion with various
14 federal, state and local agencies in our review of
15 the power plant application.

16 There's copies available. We printed up
17 100 of them. If anyone wants to follow along.
18 Did anyone not get one? Okay. If someone could
19 grab a fistful of them, please.

20 PRESIDING MEMBER PERNELL: Mr. Reede,
21 why don't you continue and they can catch up once
22 they get the document.

23 MR. REEDE: Okay. The project
24 description. On December 21, 2000, El Segundo
25 Power Company filed an application for

1 certification seeking approval from the Commission
2 to replace the existing El Segundo Generating
3 Stations Unit 1 and 2 in the City of El Segundo
4 with a natural gas-fired combined cycle electric
5 generation facility.

6 The existing units 3 and 4, located
7 adjacent to units 1 and 2, will not be modified
8 under this project.

9 The new combined cycle facility is
10 expected to generate 630 megawatts under nominal
11 conditions. This is 280 megawatts more than the
12 old units 1 and 2 were capable of generating when
13 they were operating.

14 The project includes demolition and
15 removal of the existing units 1 and 2, and their
16 replacements with units 5, 6, and 7 in the
17 location previously occupied by 1 and 2.

18 The project will use selective catalytic
19 reduction, which is a dry/low nitrous oxide
20 combustor and an oxidation catalyst system to
21 reduce air emissions.

22 An ammonia pipeline will be installed
23 into the directly adjacent Chevron Marine Terminal
24 property to deliver ammonia to the site for
25 selective catalytic reduction.

1 The new units will use the existing
2 seawater cooling system without modifying the
3 intake or outfall structures and lines. And
4 without modifying the flow rates and capacity.

5 New connections to the existing adjacent
6 Southern California Edison 230 kV lines and
7 switchyard will be added as a part of the proposed
8 project. No new transmission lines will be built.

9 New pipelines include two water supply
10 lines occupying a single trench in El Segundo City
11 streets; and a sanitary discharge pipeline within
12 the City of Manhattan Beach streets.

13 The project is estimated to have a
14 capital cost of approximately \$350- to \$400
15 million. The applicant plans to complete
16 construction and start operation of the new
17 combined cycle unit in 2003.

18 During construction up to approximately
19 422 construction jobs will be created over the 20-
20 month construction schedule. A permanent
21 professional workforce of approximately 50 people
22 will operate the plant.

23 Potential major issues. Now, this
24 portion of the report identifies and provides a
25 discussion of the potential major issues. On page

1 3 of the table you see that there's only four
2 areas in which we have identified issues.

3 The first one being air quality; the
4 second one being biological resources; the third
5 visual resources; and the fourth water resources.

6 Regarding air quality, staff sees two
7 major air quality issues that could affect the
8 redevelopment project schedule. First, the
9 complete securing and appropriate verification and
10 analysis of all necessary emission reduction
11 credits.

12 Second is the determination of the best
13 available control technology for the project.
14 Now, both of these could result in significant
15 project delays if not addressed immediately. And
16 it is especially critical to the resolution of
17 these issues that the applicant provide staff with
18 sufficient detailed information to complete an
19 analysis.

20 Biological and water resources are
21 combined as one issue because they are both
22 affected by the intake and outfall structures into
23 Santa Monica Bay.

24 This issue was raised by the California
25 Coastal Commission, and because they are one of

1 the state agencies that provides us input, it was
2 addressed as an issue.

3 The most significant direct effect on
4 coastal resources due to current and proposed
5 facility operations appears to be the ongoing
6 mortality of marine species due to the facility's
7 ocean water intake and discharge system. The main
8 reasons for the mortality are entrainment and
9 impingement caused by water intake and thermal
10 discharges from the facility, including heat
11 treatment used to clear marine organisms from the
12 intake pipe.

13 The current and proposed project
14 operations would require intake and discharge for
15 approximately 206 million gallons per day
16 resulting in entrainment and impingement of
17 numerous marine species.

18 While the proposed development would
19 result in a more effective use of ocean water, in
20 other words increased power production while using
21 the same or less amount of ocean water for
22 cooling, it would also contain the ongoing
23 unmitigated loss of marine resources that is
24 occurring under current conditions.

25 Just skip the next paragraph. Our

1 concerns are increased given the existing
2 conditions of Santa Monica Bay. As described in
3 the AFC, the biological community in Santa Monica
4 Bay has been identified as being imbalanced and
5 severely stressed or known to contain toxic
6 substances and concentrations that are hazardous
7 to human health.

8 Additionally, Santa Monica Bay is
9 described as impaired on the current 303D list due
10 to levels of mercury, cadmium, copper, lead,
11 nickel, silver, zinc, chlordane, DDT And PCBs.

12 The Coastal Commission feels that the
13 AFC does not adequately describe the cumulative
14 impacts of current or proposed operations when
15 evaluated alongside these other mentioned impacts.

16 The transmission system engineering
17 issue, while of concern, is not an issue that
18 would take long to address. Because staff has not
19 completed its analysis of the proposed El Segundo
20 Power Redevelopment Project and has not concluded
21 that there are potentially significant impacts in
22 the area of transmission system engineer, we have
23 received the transmission system impact study and
24 it identifies that Southern California Edison's
25 transmission system is not adequate to accommodate

1 the project without various line overloads.

2 Basically Southern California Edison
3 says that a number of things are going to have to
4 be done to their system to be able to carry the
5 power produced by the repowered plant.

6 Now, in visual resources the proposed
7 project has a potential to cause, or substantially
8 contribute to adverse visual impacts due to
9 visible vapor plumes from the plant exhaust
10 stacks.

11 This is due to the high numbers of
12 sensitive viewers in the foreground vicinity of
13 the proposed project. These viewers include those
14 recreating at Dockweiler and Manhattan State Beach
15 Parks, motorists on the Pacific Coast Highway, and
16 residents at foreground and middle-ground
17 distances from the proposed project in the
18 communities of El Segundo and Manhattan Beach.

19 This issue is of concern and warrants
20 further study. However, without data on existing
21 and proposed vapor plumes, staff is currently
22 unable to determine if, in fact, a significant
23 adverse effect would occur.

24 Quantitative modeling of existing and
25 predicted plume occurrences is needed to conduct

1 such an evaluation. And determinations of visual
2 impact from vapor plumes will be based on criteria
3 of both plume magnitude and plume frequency.

4 If adverse impacts are identified, they
5 could potentially be mitigated with available
6 measures and existing technology.

7 Applicant's discussion of project
8 compliance with applicable local coastal programs
9 and other relevant policies and goals of the
10 affected communities is inadequate. The existing
11 plant represents a prominent existing adverse
12 visual impact in the scenically sensitive coastal
13 zone. The proposed plant could continue or
14 intensify this adverse influence on the scenic
15 resources of the coastal zone.

16 Applicant has proposed landscape
17 screening measures which potentially address such
18 concerns in part. Specific architectural and
19 landscape screening and other measures such as
20 power plant color and surface treatment could help
21 to insure conformance with local policies and are
22 acceptable to the affected communities. Those
23 must be developed and incorporated into the
24 project's conditions of certification.

25 The proposed project can potentially

1 increase apparent bulk, height, and massing of the
2 facility as seen from various sensitive viewpoints
3 in comparison to the unit 1 and 2 structures that
4 it would replace. Such a change could represent
5 an adverse visual impact to sensitive viewers on
6 both the Pacific Coast Highway and adjacent
7 beaches.

8 As discussed previously, staff is
9 preparing additional requests for information
10 regarding the potential architectural and
11 landscape design treatments, siting and layout
12 alternatives, and other measures that might
13 mitigate adverse impacts that are identified.

14 And talk about timing, just as my voice
15 is about to run out, I'm on the last section.

16 Timely provision of the emission
17 reduction credits is critical to the schedule of
18 this project. These must be provided by April
19 15th, tax day, to allow the South Coast Air
20 Quality Management District to prepare their
21 preliminary determination of compliance on time.

22 And if we hope to accelerate in any
23 manner we need to have that issue resolved.

24 Resolution of the biological and water
25 issues may impact the schedule if entrainment or

1 impingement studies are required by the Coastal
2 Commission.

3 The Energy Commission is currently
4 reviewing 16 applications for certification for
5 power plant projects, small power plant exemption,
6 and expects to receive three additional
7 applications for certification. And what this
8 document doesn't say, we also expect to receive 21
9 applications for peaker plants in the next two
10 weeks.

11 Staff is experiencing a significant
12 staffing workload problem and has recently hired a
13 consultant team to help with peak workload. In
14 light of the issues and the workload, staff
15 believes it will be challenging to meet a 12-month
16 schedule.

17 Staff's proposed 12-month schedule is
18 attached. Actually it's a 10-month schedule
19 that's attached. However, if issues are resolved
20 quickly staff will attempt to complete its
21 analysis ahead of the proposed schedule.

22 On the final page, I show the dates and
23 events. The application was filed the 20th of
24 December. It was deemed data adequate February
25 7th. If you notice, the adopt/decision date is 10

1 months from the date of data adequacy.

2 If you recall from the slide, I said
3 that day that the Commission decides that the
4 application is data adequate starts the 12-month
5 process.

6 We've realized that some applicants come
7 fully prepared. Some applicants provide the
8 information that the Warren Alquist Act requires
9 them to provide up front. That's the case with
10 this particular application.

11 So, we feel comfortable in saying that
12 we could potentially meet a 10-month schedule.
13 With the applicant's cooperation that could
14 probably be chopped down.

15 However, it will not diminish the public
16 participation levels that are required under the
17 California Environmental Quality Act. We will
18 still have the same number of workshops. We will
19 still be in the communities getting your comments.
20 However, if we can complete the work in a timely
21 and efficient manner, that is our intent and
22 purpose.

23 However, as I stated at the beginning of
24 my comments, my job description says that I am to
25 protect the health and safety of the people of the

1 State of California, and that is paramount in the
2 review of any application for certification.

3 Thank you, Commissioner Pernell.

4 PRESIDING MEMBER PERNELL: Thank you,
5 Mr. Reede.

6 HEARING OFFICER SHEAN: We have some
7 additional introductions, and they are from the
8 City of El Segundo. I'd just like to acknowledge
9 that we have your Mayor Pro Tem, Sandra Jacobs,
10 here. John Gaines, who's a Council Member. Kelly
11 McDowell, also a Council Member. And Mary Strenn,
12 your City Manager, was here in the room. I see
13 her out in back there.

14 Mr. Gaines, did you want to say a few
15 things? It may feel a little strange to you that
16 you're on that side of your dais --

17 (Laughter.)

18 MR. GAINES: Well, I do this every once
19 in awhile.

20 HEARING OFFICER SHEAN: Oh, okay.

21 PRESIDING MEMBER PERNELL: Mr. Gaines,
22 before you begin, let me say that I thank all of
23 the Council Members and the Mayor Pro Tem for your
24 hospitality, and certainly welcome you to our
25 proceedings.

1 MR. GAINES: Thank you very much,
2 Commissioner Pernell. On behalf of the Mayor Pro
3 Tem and Council Member McDowell and the Mayor, who
4 is not here tonight, or Council Member Warnick,
5 I'd like to welcome you and your staff to the City
6 of El Segundo.

7 I'll just make a couple of brief
8 remarks. I think you've also met Jim Hansen, who
9 is our Director of Economic Development Services,
10 Building and Planning Safety, who is really the
11 key staff member for us on this project.

12 I want to welcome you to the City of El
13 Segundo, let you know that if you need anything as
14 you go through this process, don't hesitate to get
15 ahold of any of us. Not only are we listed in the
16 phone book, but our business cards are readily
17 available here. Julia Brew, in the Council
18 Office, will be glad to get ahold of us on a
19 moment's notice.

20 I think all of my Council colleagues and
21 most of the members of the community will agree
22 with me that the key to having a success in this
23 is going to be communication. If you have
24 questions, and likewise if the public has
25 questions of you or the applicant, we, as Council

1 Members, are primarily ombudsmen for the community
2 and we'll do everything we can to facilitate that
3 and make sure the communication flows well.

4 The Dynegy Plant, the former Edison
5 Plant, has been in our City since 1954. It's a
6 landmark in our City. And I think that were it a
7 different time it would almost be a non-event to
8 have this go forward.

9 However, in this day and age, when
10 energy and electrical policy and where we're going
11 with electricity in the state is on the front
12 pages, as well as in our Edison bills when we
13 receive them every month, I think it's fair to say
14 that the community is probably going to watch this
15 with some interest, and will probably be actively
16 involved as we go forward through this process.
17 So we look forward to that, also.

18 I just again want to say welcome. If
19 there's anything we can do while you're here,
20 don't hesitate to let us know. And we're readily
21 available should you need us for anything.

22 Thank you.

23 PRESIDING MEMBER PERNELL: Thank you
24 very much.

25 HEARING OFFICER SHEAN: Okay, now before

1 we get into an opportunity for any members of the
2 public to speak, we're going to turn it over to
3 our Associate Public Adviser for some further
4 information about getting involved in our process.

5 MS. KRAPCEVICH: Thank you, Garret.
6 Some of you have met me already. My name is
7 Marija Krapceovich and I'm the Associate Public
8 Adviser from the California Energy Commission's
9 Public Adviser Office.

10 And I'd like to welcome all of you
11 tonight. I just want to let you know that our
12 office is dedicated to providing assistance to
13 you, the public, on how to become involved in the
14 decision-making process about the El Segundo Power
15 Plant Redevelopment Project.

16 The Energy Commission encourages public
17 participation and welcomes all types of community
18 input. Tonight you will hear testimony from the
19 applicant, the El Segundo Power II, LLC, proposing
20 the project. I think you've heard them before.
21 And from the Energy Commission, who will be
22 conducting an independent analysis of the project.

23 As decision makers, the Siting Committee
24 Commissioners will listen to the evidence and make
25 findings of fact in preparation for a proposed

1 decision to be presented to the full Commission in
2 approximately mid December or sooner.

3 As members of the public you will be
4 given the opportunity to ask questions and make
5 comments on what you hear and what you think.
6 Your opinions and comments form a valuable source
7 of information as the Energy Commission Staff
8 performs their analysis.

9 There are two levels of public
10 participation that are available to you. The
11 informal and formal process.

12 In the early phases of a siting case
13 there's not a lot of difference between the
14 informal and formal participation. However, when
15 the case reaches the point that the decision
16 makers, the two members of the Energy Commission's
17 Siting Committee, are ready to listen to formal
18 evidence on the many siting case issues, the
19 difference becomes apparent.

20 In the formal hearing of the evidence
21 informal participants can comment and offer
22 opinions by filling out the public comment forms
23 which I think that you've seen. I put some out
24 here on this little side table, and the ones right
25 there in front, outside of this room, for you to

1 fill out if you'd like to make written commentary
2 or if you would like to be on the mailing list and
3 receive all the notices for future workshops and
4 hearings and meetings.

5 You can also speak tonight at the
6 hearing. And to notify us that you wish to speak,
7 you need to fill out one of these blue cards. And
8 I put some outside, as well as here on the side
9 table. And if there's anybody else who would like
10 to make a comment tonight, just raise your hand
11 and I'll come by with this blue card so that you
12 can fill it out.

13 As Associate Public Adviser I will help
14 members of the public who want to make comments
15 during the siting case proceedings by putting out
16 these blue cards. This also helps the
17 Commissioners and Hearing Officer with the details
18 of running a good meeting.

19 If you wish to comment today, like I
20 said before, just raise your hand and I'll come
21 around and I will hand you a blue card.

22 Also be sure that you sign in on the
23 sign-in sheets. There are some posted right here.
24 They look like this. They have two boxes. By
25 checking the first box you insure that you will

1 receive future mailings of all future meetings and
2 hearings and conferences. And by checking the
3 other box that makes sure that you can receive it
4 through the email, the same type of information.
5 So be sure that you sign in for that type of
6 information.

7 Also, you may choose to become more
8 formally involved in the siting case. This
9 process is called intervention. You would be
10 known as an intervenor.

11 Members of the public and sometimes
12 public agencies who decide to intervene become
13 parties to the siting case. These intervenors
14 have the same responsibilities and share the same
15 benefits as the other parties in the case.

16 For example, intervenors must respond to
17 the request for information. They deliver their
18 documents and comments to the other parties. And
19 they are available for cross-examination.

20 At the Energy Commission public
21 participation, as I've said before, is an
22 important part of the siting decision making
23 process. To make sure that you follow the siting
24 case, again I can't emphasize, please sign in, be
25 sure you check the boxes how you would like to

1 receive this information. If you would like to
2 speak, you know, let me know, I'll hand you the
3 blue card.

4 If you would like to become an
5 intervenor then we do have this guide called the
6 siting process practice and process guide, which
7 goes into detail about the whole process. If you
8 just want the information on how to become an
9 intervenor, you do have to file a petition. And I
10 have the chapters that I pulled from this guide
11 for you to look over, read. And at the end there
12 are some forms there, one of which is the petition
13 to file.

14 As James had pointed out before, you can
15 reach us by phone. You can call us at the 800
16 number. At the 1-800-822-6228. Or you can call
17 us at the 916-654-4489 number. As well as reach
18 us by email through our email address at
19 pao@energy.state.ca.us.

20 And, again, thank you very much for
21 coming. And please let me know if you'd like to
22 participate tonight to speak.

23 Thank you.

24 PRESIDING MEMBER PERNELL: Thank you.

25 HEARING OFFICER SHEAN: Before we go to

1 the public side of things, let me just make a
2 couple of remarks. As you have sat there I hope
3 you don't get the sense that this is fundamentally
4 a legal process run by lawyers. It is, even
5 though I am a lawyer, and have been that for a
6 number of years, I want to assure you I'm here to
7 try to put the human touch in this process.

8 Given the circumstances that the state
9 faces with regard to our electricity emergency,
10 it's fundamental that we get to the community and
11 have a clear understanding of what the Committee's
12 concerns and thoughts are, and that we don't need
13 a lot of legal mumbo-jumbo.

14 So, if at any point you feel some
15 trepidation about participating in the process, I
16 want you to remember these words. And they are
17 that we are here for you; you can communicate to
18 us in any fashion that you choose.

19 We are going to use, to the extent
20 possible, our new electronic media to communicate
21 both with you and to have you communicate with us.
22 That's one of the reasons I asked earlier that if
23 you wished to, you sign up on the sign-in sheet
24 and include your email address. And I now am
25 officially on the record asking you to do that,

1 again.

2 As Councilman Gaines indicated,
3 communication is the fundamental here, and we will
4 be able to do that much more rapidly and
5 dispersing it much more widely if we can do this
6 through email and the internet.

7 Let me also indicate if you cannot live
8 without a copy of the AFC, and I don't know who
9 can't, other than most officialdom, you can
10 probably contact the applicant. They had a few of
11 them on CD, and they may have a few left over in
12 the storage room. If they don't, the Commission
13 also has some.

14 We expect then to have the filing
15 performed by electronic service. And the service
16 among parties done electronically, as well. That
17 will both help expedite the proceeding and broaden
18 the communication.

19 At this point we do have two intervenors
20 in the proceeding. I don't know if they wish to
21 speak, but we do have -- does CURE wish to make
22 any comments?

23 MS. POOLE: No, thank you.

24 HEARING OFFICER SHEAN: Okay, thank you,
25 Ms. Poole. But we do have Mr. William Reid, who

1 is representing the Utility Workers Union of
2 America Local 246. And he's here tonight and has
3 requested to speak. Mr. Reid.

4 MR. REID: Thank you. The Utility
5 Workers Union of America Local 246 represents the
6 employees at NRG El Segundo operations. The
7 contract that we represent those people under went
8 into effect on April 1, 2000.

9 Prior to this we represented the
10 employees of El Segundo Generating Station under a
11 collective bargaining agreement negotiated with
12 Southern California Edison.

13 We've been certified by the National
14 Labor Relations Board as the exclusive bargaining
15 agent for the employees on the property at El
16 Segundo since it first opened up.

17 The employees we represent, the
18 employees NRG El Segundo are local residents.
19 They live with their families in Manhattan,
20 Hermosa, El Segundo and Redondo Beach. They own
21 homes; their children attend local schools; and
22 they pay taxes in this community.

23 We have a vested interest in the health
24 and well being of the area's residents because we
25 are this area's residents. Furthermore, we have a

1 vested interest in the ecological and economic
2 stability of this area because the consequences of
3 irresponsible actions will directly impact us and
4 those we care most about.

5 We have a very serious shortage of
6 electricity in California, and it really doesn't
7 matter who's to blame at this point. The problem
8 needs to be addressed rationally. It needs to be
9 done in a timely manner. We need common sense and
10 sound reasoning. The consequences of failing to
11 solve this problem are devastating and rolling
12 blackouts are just the tip of the iceberg.

13 The proposal before the Commission
14 tonight is to authorize the demolition of two of
15 the four conventional gas-fired steam generating
16 units now operating at the El Segundo site. And
17 the replacement of those units with higher
18 capacity, more efficient and less polluting modern
19 equipment.

20 To restate that as simply as possible,
21 NRG is proposing to reduce the environmental
22 impact on the state while increasing the amount of
23 electricity available to the consumers in a manner
24 that's consistent with public safety.

25 In comparison to the proposal presented

1 to this Commission by the owners of Huntington
2 Beach Generating Station, this is a breath of
3 fresh air.

4 NRG is not proposing to re-energize an
5 antiquated, obsolete, inefficient and potentially
6 lethal power plant in an environmentally sensitive
7 neighborhood full of children, schools and public
8 parks.

9 NRG has stepped forward and offered, at
10 their expense, to become part of the overall
11 solution to our common problem. Furthermore,
12 they've offered to do this in a manner that will
13 minimize or reduce the environmental impact.

14 The construction phase of the project
15 will provide employment to the local skilled
16 trades. And the ongoing operation and maintenance
17 of the plant will provide economic benefit and
18 employment to area residents for many years.

19 Common sense, rational thought and
20 factual evidence all indicate that the
21 authorization of this proposed project is in the
22 best interests of the people of the State of
23 California.

24 I thank you for your time.

25 HEARING OFFICER SHEAN: Thank you,

1 Mr. Reid.

2 PRESIDING MEMBER PERNELL: Thank you,
3 Mr. Reid.

4 HEARING OFFICER SHEAN: We have Mr. Bill
5 Crigger, is it, from the El Segundo Chamber of
6 Commerce.

7 MR. CRIGGER: Thank you, Commissioner
8 Pernell and Staff, I'm Bill Crigger. I'm
9 President of the El Segundo Chamber of Commerce.
10 I'm also a resident of Manhattan Beach.

11 This application represents an important
12 opportunity for the Commission and for all of
13 those of us who are participating in the process
14 to do something constructive about our current
15 energy crisis in California.

16 We all now know that the disparity
17 between electrical demand and electrical supply
18 has been growing for many years and it's
19 continuing to grow. And in the end, while
20 conservation and more efficient use of power in
21 the state will be a very very important part of
22 the ultimate resolution, it's clear that we're
23 going to need to generate more electricity.

24 This is our opportunity to do that. And
25 to do it in a way that not only minimizes

1 environmental impacts, but, in fact, reduces the
2 amount of pollution that's currently being
3 produced by that plant.

4 If we're going to continue to enjoy the
5 benefits of economic growth in California and
6 continue to enjoy the quality of life that comes
7 from making this shift from an industrial based
8 economy to an information based economy, we're
9 going to need to have more electricity.

10 I urge you and the Commission to approve
11 this application as expeditiously as possible, and
12 seize this opportunity to make a positive impact
13 on our energy crisis, and to improve the ecology
14 environment of our local community where we live
15 and work.

16 Thank you.

17 PRESIDING MEMBER PERNELL: Thank you.

18 HEARING OFFICER SHEAN: We have Mr. Bob
19 Perkins, who is a local citizen, who signed up to
20 speak. His is the last card I have. If there's
21 anyone else who would like to come forward, just
22 contemplate coming to the mike.

23 MR. PERKINS: Good evening. My name is
24 Bob Perkins. I'm a local resident --

25 HEARING OFFICER SHEAN: Mr. Perkins, we

1 do need you to speak into --

2 MR. PERKINS: I will speak into that,
3 but I'm stepping out here because I need to
4 present you with a piece of paper.

5 HEARING OFFICER SHEAN: Okay.

6 MR. PERKINS: I brought Mr. Shean a one-
7 page letter, it looks like a lot more because it
8 has some attachments. And I've given a copy of
9 that to Mr. Cabe earlier today.

10 And the reason that I have come to the
11 meeting and the reason that I've given Mr. Cabe a
12 copy of the letter, and the reason I've given it
13 to Mr. Shean, is that I need to bring to your
14 attention some potential environmental problems,
15 principally in the noise area, which are not
16 addressed in the applicant's materials.

17 The applicant and I have had a number of
18 meetings over the last month or month and a half,
19 and most of the information in my letter is
20 information which they have given to me.

21 They and I have agreed to try to work
22 out a joint, more complete statement of what this
23 problem is, and what can be done about it. But to
24 date we haven't gotten that done. And I thought
25 it was important to bring this matter to your

1 attention now.

2 The problem of noise that's addressed in
3 my letter and in our meetings is not one which
4 should preclude building this power plant. I
5 should say that at the start. It should not stop
6 the power plant.

7 It's a question of building it right and
8 mitigating a noise source, or a noise problem
9 which is not discussed in the materials.

10 Specifically that problem concerns the
11 City of Manhattan Beach and its residents. I
12 should say that while the letter us from my wife,
13 Michelle Murphy, and I, who are here, other
14 Manhattan Beach residents are in the room. I know
15 that my neighbors, Lyle and Elsie Cripes, and
16 Patricia Nash are here, as is another neighbor,
17 Teresa Hart sitting in the back of the room.

18 And other neighbors are concerned about
19 this, and about the general question of
20 environmental damage or degradation to their
21 property. Attached to the letter is a short
22 petition signed by more than 50 Manhattan Beach
23 residents.

24 I will advise you that I spoke to one
25 more resident than signed the petition. One

1 fellow said he wanted to look it over. The rest
2 of them all said, yeah, we're concerned and we're
3 interested.

4 And here's why: If you look at the map
5 here --

6 HEARING OFFICER SHEAN: Mr. Perkins,
7 just so you understand, this microphone connects
8 to this lady, who is our reporter. If your
9 comments are going to go into the record of the
10 proceeding, this microphone needs to be close to
11 you. And I know, given that you've come and spent
12 significant effort in your preparation, it may not
13 go that far.

14 MR. PERKINS: All right, I will
15 oscillate between the picture and the microphone
16 for a moment.

17 If you look at this map at the back of
18 the room you will see that, in fact, the closest
19 residence, closest homes to the power plant are
20 not located in El Segundo. El Segundo has a very
21 serious stake in this power plant, but so does
22 Manhattan Beach. We are the nearest neighbor. I
23 have the honor, along with the Cripes and some
24 others of being the nearest neighbors. We will be
25 approximately 40 feet from the property line when

1 the construction is completed.

2 So if you look at the map, Michelle is
3 now pointing at our home, then if she slides her
4 finger north along the map, come two large storage
5 tanks, and further up is the power plant, itself.

6 At present those two large storage tanks
7 are a complete visual and audio barrier to this
8 power plant. We can't hear it, we can't see it.

9 However, not mentioned, I don't believe,
10 in the application, and certainly not in the sound
11 system, is the method of construction proposed,
12 which is start by demolishing those two storage
13 tanks.

14 The applicant has told me this, that
15 that's their plan. They have to buy the land that
16 they sit on, and they plan to do this.

17 They have, at my request, run some
18 calculations. When they do that, the noise level
19 at my and my neighbor's front door will increase
20 by something approximating 5 db, their best
21 estimate is 4.7 db's. Not a very large increase,
22 you might think. I would say a couple of things
23 about that.

24 The reason it will happen is we will
25 then have line of sight, as will all the homes

1 along The Strand in Manhattan Beach for a period
2 of several blocks. Actually the hill rises as you
3 go south, and eventually you can see over the
4 tanks, so they do have line of sight at a much
5 greater distance, at a quarter mile or more away,
6 further away than we are.

7 But you'll get line of sight. And so
8 the sound can travel unimpeded by the currently
9 existing sound barriers.

10 There's no doubt that this is
11 remediable. A berm would serve the purpose;
12 perhaps a sound wall would. And to their credit,
13 the developers have suggested discussing at least
14 several of those. They have not placed in
15 concrete any particular proposal for mitigation.
16 But mitigation is clearly possible, either by not
17 using that method of construction, or that is not
18 demolishing the tanks in the first place, or
19 replacing them with something else which will
20 serve the purpose.

21 About the 4.7 dba increase, which they
22 estimate, the exact value, of course, depends on
23 which house you pick and how close you get to the
24 power plants, and will diminish with greater
25 distance. I happen to be real close, so -- not

1 real close to the power plants, real close to the
2 property line, so for me that's their best
3 estimate.

4 But in addition to the straight
5 decibels, I'd like to call your attention to the
6 quality of noise and its impact on the
7 neighborhood. This ia very desirable neighborhood
8 to live in. Manhattan Beach is a very desirable
9 town because of the ocean views and the ocean
10 sounds that you saw and heard when you went to the
11 power plant. As is El Segundo.

12 At present, during the evening, the
13 largest source of our noise, the principal thing
14 we hear, the way it sounds to us is there are
15 waves lapping. That's the noise. There's maybe
16 some breeze blowing, that's the noise. There may
17 be some birds, not after dark much.

18 But if the principal source of noise
19 shifts from ocean to turbine, the number of
20 decibels will not be a fair measure of the
21 environmental degradation. That will be a
22 problem. That will reduce the quality of life at
23 those homes in that neighborhood.

24 I emphasize it's not necessary. I
25 emphasize that the applicant has told me that

1 they're willing to discuss and to work with me,
2 for that matter, but I'm sure the Commission, to
3 try to work out mitigation that will make this a
4 satisfactory development.

5 I only wish to bring the problem to your
6 attention now so that staff can address it, and so
7 that the applicant has plenty of time to address
8 it before we get further into this process.

9 I thank you.

10 HEARING OFFICER SHEAN: Thank you, Mr.
11 Perkins.

12 MR. PERKINS: Oh, may I make one more
13 comment?

14 HEARING OFFICER SHEAN: Certainly.

15 MR. PERKINS: I emphasized at the start
16 that I'm a Manhattan Beach resident, not an El
17 Segundo resident, as are the people who signed my
18 petition.

19 I would suggest that probably the City
20 of Manhattan Beach should be involved in this
21 process directly, even though the project sits in
22 El Segundo, because of the possible violation of
23 Manhattan Beach ordinances, and the community
24 concern over its own environment.

25 PRESIDING MEMBER PERNELL: Mr. Reede.

1 MR. REEDE: Thank you, Commissioner
2 Pernell. I was going to bring up, after Mr.
3 Perkins, that we have received comments from not
4 only the City of El Segundo and U.S. Fish and
5 Wildlife Service, but also the City of Manhattan
6 Beach.

7 And the data requests that will be
8 issued tomorrow include all of the questions that
9 were raised by the City of El Segundo, California
10 Coastal Commission, U.S. Fish and Wildlife Service
11 and the City of Manhattan Beach.

12 I will not read all of the issues that
13 have been asked. They'll be public record as of
14 tomorrow afternoon. But the City of Manhattan
15 Beach has asked questions about that.

16 PRESIDING MEMBER PERNELL: Mr. Reede,
17 right, as long as there is a record of Mr.
18 Perkins' concerns, I think we'll be fine.

19 However, I do have a question for you,
20 Mr. Perkins, if you would come back up to the
21 mike, please.

22 MR. PERKINS: Mr. Pernell.

23 PRESIDING MEMBER PERNELL: As you have
24 heard from Mr. Reede, those concerns will be taken
25 into account. But my question is are you in the

1 signatures on the petition concerned about the
2 turbine noise or the construction noise?

3 MR. PERKINS: Well, we aren't an
4 organization, so probably the answer is both, and
5 different folks to a different extent. My own
6 feeling is the state needs power plants, you got
7 to build power plants. There is a process for
8 complaining if the construction noise gets out of
9 hand.

10 But I expect some of my neighbors will
11 be at least as concerned about the construction
12 noise, because the reason to demolish those tanks
13 is to make the area where they sit a staging area
14 for construction. So I expect there will be
15 construction right outside my front door.

16 So, if you're asking about the
17 community's concern, my feeling is there is some
18 concern about both. My own concern, my personal
19 concern is greater over a long-term continuing
20 steady state, so to speak, violation of our local
21 noise ordinances and/or a degradation of our
22 standard of living.

23 PRESIDING MEMBER PERNELL: Okay.

24 MR. PERKINS: Not construction, but
25 operational. That's my own personal concern.

1 PRESIDING MEMBER PERNELL: Thank you.

2 And, Mr. Reede, you've got a brief comment?

3 MR. REEDE: Yes. Mr. Perkins, if you
4 could speak to Tom Murphy over in the corner, the
5 gentleman writing. He's my noise technical
6 discipline person.

7 MR. PERKINS: Yes, sir.

8 MR. REEDE: And if you could give him
9 some particulars about your residence, that would
10 help us greatly in making sure that all of our
11 discovery data requests address those issues, and
12 that we get the answers for you.

13 MR. PERKINS: Great. Glad to.

14 PRESIDING MEMBER PERNELL: Okay, thank
15 you, Mr. Perkins.

16 MR. MCKINSEY: Commissioner Pernell,
17 could I make a brief comment?

18 PRESIDING MEMBER PERNELL: Yes. State
19 your name for the record.

20 MR. MCKINSEY: John McKinsey, I'm
21 counsel for the applicant. Mr. Perkins is correct
22 that we've been communicating and working with
23 him, and we understood that he would be speaking
24 tonight. And we actually welcome his
25 participation in this.

1 And I don't want him or anyone else to
2 feel that the inability of our ability to respond,
3 that's duplicative, is not because we were
4 delayed. Essentially this has to be a community
5 process. And tonight's event is the best way for
6 such issues as that to be brought to the
7 forefront. And that's why we're here.

8 And that, as he indicated, the probable
9 solutions to any of the impacts that get addressed
10 in this project, need to involve all the
11 community's input.

12 And so it would have been, even if we
13 had identified particular means of mitigating any
14 particular potential impact of the project, if
15 that mitigation has other constituents that would
16 be interested in how it's designed, then that is a
17 very good reason to make sure we go slow enough to
18 let this process initiate itself, so that
19 everybody that is interested in that solution can
20 be brought to the forefront.

21 And we look forward to working with the
22 El Puerto community portion of the City of
23 Manhattan Beach, as well as the City of Manhattan
24 Beach, in addition to the City of El Segundo in
25 addressing the issues of our project.

1 PRESIDING MEMBER PERNELL: Thank you for
2 those comments, and willing to work with the
3 communities to address whatever their concerns
4 are. We do appreciate that. Yes, sir?

5 MR. CABE: My name is Ron Cabe. And I
6 would just like to say that in a continuing effort
7 to answer many or any of these questions that will
8 come up, we're in the process of establishing a
9 website, as well as an 800 number where we will
10 accept these questions and would ask that anyone
11 who would like to communicate with us, with copy,
12 of course, to Mr. Reede as Project Manager, should
13 do so. And we will have that address for your
14 shortly.

15 Thank you.

16 PRESIDING MEMBER PERNELL: Thank you.
17 And once you get that, if we can get our Public
18 Adviser that information, then she can relay that
19 to the sign-up list.

20 MR. REEDE: We'll also link it to our
21 website at the Commission.

22 PRESIDING MEMBER PERNELL: Great.
23 Communication.

24 HEARING OFFICER SHEAN: That takes care
25 of the folks who have given us a card to sign up

1 to speak.

2 At this point if you would like to
3 either make a comment or ask a question of the
4 applicant, the staff or the Committee, we'd invite
5 you to do that.

6 If we hear none we will be contemplating
7 adjourning the meeting. So this is pretty much
8 the last opportunity, and we'd like to afford it
9 to you. Ma'am.

10 MS. MURPHY: I just have one question.
11 I'm sort of wondering how it is that --

12 PRESIDING MEMBER PERNELL: Please state
13 your name for the record.

14 MS. MURPHY: Oh, I'm sorry, Michelle
15 Murphy, wife of Bob Perkins, the last speaker,
16 also at 4420 The Strand in Manhattan Beach.

17 Some of my neighbors, I know, some of
18 them that are here today did not receive any
19 notice of this meeting.

20 I'm just wondering how it was that
21 people were notified, and if there's a better way.
22 We've been passing around the petition, I'd say
23 roughly half the people said, oh, I didn't know
24 anything about that.

25 Now, it's possible people think it's

1 junk mail, we get a lot of junk mail. But I think
2 people didn't get -- people in the El Puerto
3 district didn't get a mail notice. And I don't
4 know how we can remedy that.

5 But in the future -- will no more
6 mailings be sent to people unless they've signed
7 up on the mailing list? Is that --

8 MR. REEDE: Typically, especially for
9 this informational hearing, and I'll check it when
10 I get back, all property owners within 1000 feet
11 of the plant site are supposed to get public
12 notice. And within 500 feet of all linears, such
13 as pipelines and things of that nature.

14 So you should have gotten one. I will
15 insure that the mailing labels are in the mailroom
16 at the Commission's office. And it won't happen
17 again.

18 MS. MURPHY: Thank you.

19 PRESIDING MEMBER PERNELL: The other
20 thing I might add to that is we have a tremendous
21 amount of these cases, and we have, as I
22 understand it, a mailing house. And so they may
23 be a little behind, but we do have to look into
24 that. And I think Mr. Reede is correct, that if
25 we have to take additional steps, and maybe have

1 more than one, we would do that. Because our
2 mandate says that we want the communities of
3 interest to be noticed.

4 So, thank you.

5 MR. REEDE: I might add, Commissioner
6 Pernell, that the City of Manhattan Beach is on
7 our mailing list.

8 And it goes not only to the City Clerk's
9 Office in Manhattan Beach, but it also goes to the
10 Council -- well, the City Manager, the Department
11 of Public Works, the Fire Department and the
12 Police Department.

13 So, we're notifying the City.

14 I will contact the City Clerk's Office
15 to insure that it's put on the City of Manhattan
16 Beach's website as we send out notices. And also
17 that it's posted at the Manhattan Beach City Hall
18 and Manhattan Beach Library.

19 PRESIDING MEMBER PERNELL: Thank you,
20 Mr. Reede.

21 Other comments?

22 Are there any other agencies or
23 officials that would like to address the
24 Committee?

25 Is there anyone else who would like to

1 address the Committee?

2 Hearing none, seeing none, this

3 Committee is adjourned. Thank you all for coming.

4 (Whereupon, at 6:13 p.m., the

5 informational hearing was adjourned.)

6 --o0o--

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATE OF REPORTER

I, VALORIE PHILLIPS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of March, 2001.

VALORIE PHILLIPS

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345